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Administration Budget Proposal
3/6/85
P DDI/PERS who will advise D/PERS
He agrees DDI/PERS to handcarry

NOTE FOR: D/PERS

STAT

SUBJECT: Review of the OPM Draft Bill to Implement FY-86 Retirement Budget Proposals

1. Other than the exemption of fire fighters, law enforcement officers, etc., our review of the subject bill indicates that it contains no major provisions of which we were not already aware. However, in addition to the age provision, one of the amendments which gives us concern is paragraph (7) of Section 2 on survivor benefits. This Amendment, among other things, provides that no benefits are payable to any widow, widower, or survivor of any employee, member or annuitant who has not attained age 60, has not reached age 50 if disabled or does not have in his or her care a surviving child of the employee.

2. No employees, no matter where they work, would desire to leave spouses without financial support on a regular basis if they were to die. It would seem particularly important to CIA employees, who serve overseas and/or are otherwise in above average risk situations, to have the comfort of knowing that their spouses would have at least minimum survivor annuities regardless of age if they were to die for reasons other than those in an official capacity. Unlike spouses of employees with more "normal" occupations, spouses of many CIA employees move around the world with some frequency. As a consequence, they are able to obtain employment mostly on a part-time and lower paying level. Their inability to establish longer term careers puts them at great disadvantage, if suddenly, they have to become the sole support of a life style built on much higher income levels, debts and all.

3. The above concern, we feel, deserves serious consideration and should perhaps also be included in our comments to OMB in the proposed legislation.

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Administration Budget Proposal fall — 3/5/85

The Central Intelligence Agency (CIA) supports the Office of Personnel Management draft bill "to amend Title 5 United States Code to reform the Civil Service Retirement System, and for other purposes" with two exceptions. The first concerns that portion calling for reduction in annuities payable before age 65. Our concern is that this portion, if applied to Central Intelligence, will force employees to work longer in order to earn full retirement annuity and directly impact on the Agency's ability to perform its critical mission. These comments apply to CIA employees covered both by the Civil Service Retirement Act and the limited number who qualify for the Agency special retirement system.

As far back as 1959, CIA established a policy which encouraged employees to retire at ages substantially earlier than elsewhere in the Federal Government. The policy was established for several reasons: to recognize those aspects of Agency employment where individuals serve anonymously under conditions involving personal sacrifice, stress, and often danger; to maintain a rigorous and productive work force which is fully and quickly responsive to the Nation's intelligence needs; and to ensure an effective career development program which provides and manages advancement to positions of increasing responsibility. That retirement policy--which has served the Agency exceedingly well these past 24 years--remains an integral part of the Agency's personal management system. It helps maintain the extremely high level of performance required by CIA's mission and responsibilities by providing the attrition necessary for both career development and recruitment of new employees.

Lengthening the service of Agency employees by as much as 10 years would seriously impair the ability of Agency management to move promising individuals up through the ranks. Our mid-career personnel would be hardest hit by the retirement age increase and annuity reduction proposals, and we cannot run the risk that many might choose to leave now rather than face the consequences of these changes.

The second concern relates to changes in benefits payable to any widow, widower, or survivor of any employee, member, or annuitant who has not attained age 60, has not reached age 50 if disabled, or is not caring for a child.

It is particularly important to Agency employees who serve overseas and/or are otherwise in above risk situations to know that their spouses would have at least minimum survivor annuities regardless of age if they were to die. This exception for Agency spouses would reinforce previous legislative efforts which recognize the unique nature of Agency spouses.

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The CIA fully supports the efforts to cut the cost of Government. The retirement age increase and annuity reduction proposal, however, will make it exceedingly difficult for us to manage the CIA and to contribute further to the Government efforts to revitalize and enhance the intelligence capability and production. We, therefore, request an exemption for CIA from the retirement age increase and the annuity reduction proposed in the attached draft legislation similar to that provided for law enforcement officers, fire fighters, and air traffic controllers.

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Apathetic should be filed in Retirement
3/6/85 sent by DIPEES to DDA

The Central Intelligence Agency supports OPM draft bill "to amend Title 5 United States Code to reform the Civil Service Retirement System, and for other purposes" with one exception, that portion calling for reduction in annuities payable before age 65. Our concern is that this portion, if applied to Central Intelligence, will force employees to work longer in order to earn full retirement annuity and directly impact on the Agency's ability to perform its critical mission. These comments apply to Central Intelligence Agency employees covered both by the Civil Service Retirement Act and the limited number who qualify for the Agency special retirement system.

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The Central Intelligence Agency fully supports the efforts to cut the cost of government. The retirement age increase and annuity reduction proposal, however, will make it exceedingly difficult for us to manage the CIA and to contribute further to the government efforts to revitalize and enhance the intelligence capability and production. We, therefore, request an exemption for CIA from the retirement age increase and the annuity reduction proposed in the attached draft legislation, ~~which amends Section 8339~~ similar to that provided for law enforcement officers, fire fighters and air traffic controllers ~~per paragraph of Section~~ [2]

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